



## Market Research

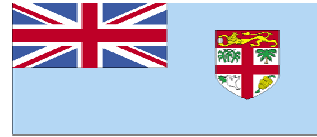
# Best Commercial Prospects for Fiji

Provided by U.S. Commercial Service – Partner Post

U.S. Embassy – Suva

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The U.S. Commercial Service maintains an active “Partner Post” program with the U.S. Department of State in countries and markets in which USCS does not have its own operations. Through this program, a USCS Post in the region provides guidance and support to the Partner Post in order to offer standard CS products and services (i.e. IPS and Gold Key Service) appropriate to the market.

CS Sydney- Australia has as its Partner Post the Commercial Section of the U.S. Embassy in Suva, Fiji. Commercial Assistant (Ms.) Repeka Ufiamorat serves as the point of contact for commercial inquiries and CS Services in Fiji and the surrounding South Pacific nations of Kiribati, Nauru, Tonga and Tuvalu.

Suva, Fiji, is the most important commercial crossroads in the South Pacific. It serves as a hub and base of distribution to an area that encompasses almost a third of the Southern Hemisphere.



## Best Commercial Prospects in the Fijian Market

(Excerpt from the Country Commercial Guide for Fiji)

**Manufactured Goods:** Because of its relatively small size and island status, Fiji lacks the capability to manufacture many items necessary for the daily functioning of a developing country. Local manufacturing is concentrated in garments, footwear, furniture, cement and leather and wood products. Manufactured goods and miscellaneous manufacturing made up 30.23% of imports in 2003.

**Tourism:** Over 430,800 tourists visited Fiji in 2003. New resorts are planned to accommodate growth, primarily in the five star, or luxury range. A corresponding increase in the demand for goods and services in the hospitality industry, including food service, recreation and transportation goods and services is expected. American tourists are coming in increasing numbers, creating a demand for U.S.-quality products.

**Energy:** By regulation, all new power generation put on line in Fiji must be fueled by renewable sources. There is currently a demand by the government for partners in the energy sector, as Fiji explores ways to bring power to the grids of major cities. To electrify isolated villages in rural areas, independent stations are planned. Potential suppliers must work with Fiji government authorities on these projects.

**Consumer Products and Machinery:** As Fijians become acquainted with American brands and quality, the ongoing demand for consumer products, processed foods, chemicals and plastics will grow. Fiji has a small manufacturing base, which requires automated machinery, ranging from cutting machines for garment manufacturers, to packaging machines. Food was 15% of imports in 2003, chemicals 7.5%, and machinery 30% of total imports that year.

**Computer hardware, software and service:** Computer literacy is increasing rapidly in Fiji. Internet access is established, but high costs and minimal access to hardware keeps usage down. The recent establishment of call centers in Fiji, new networking and systems integration, and expanding businesses and international organizations, offer opportunities for U.S. suppliers in this field.

**Construction & Capital projects:** The construction sector is anticipated to continue to perform well. During the first quarter of 2004, initial works commenced on the F\$30 million (US\$17 million) European Union funded Rewa Bridge, one of the country's major bridges. Other major projects anticipated in 2004, include the construction of a shopping complex in downtown Suva and the Great Council of Chiefs complex. This is in addition to work in progress on the Suva Central Project, Colonial Center, Fiji School of Medicine campus, Fiji Public Servants Association Complex and construction of residential and tourist

properties. These provide excellent opportunities to U.S. consultants, designers and suppliers.

## **Background on Fiji**

Though a small island group in the Pacific Ocean, 3000 miles from Honolulu, Fiji is far from isolated from the world's markets. With a sophisticated society active in international affairs, Fiji is a hub and frequently acts as a leader for the region. Strong historical and commercial bonds with Australia and New Zealand exist, but relations with the U.S. are expanding - politically, culturally, and commercially. The restoration of the 1997 constitution, pronouncements by judiciary, and the peaceful conduct of elections since the political coup of 2000, have strengthened democracy and stability in the country.

Fiji has a literate, English-speaking workforce, competitive wage rates and a productive working environment. However, the high exodus of skilled workers and professionals following the country's political instability of 2000 remains a concern. Services, such as banking, travel, insurance, legal, transportation, hotels and restaurants are available. Numerous direct air and sea services link Fiji to the U.S., Asia and the Pacific for passengers and cargo. Infrastructure is relatively developed - communications, power and water are expensive, and main roads are reliable. Much effort has gone into meeting the increasing power needs of the country. A new hydroelectric power station is expected to boost the country's power supply by 6 megawatts.

Fiji's economy is primarily dependent upon tourism, agriculture and manufacturing. Major exports are sugar, garments, artesian water, timber, fish and gold. Many consumer and durable goods must be imported. Leading imports include manufactured goods, machinery, food, fuel and chemicals. Increasing numbers of Americans are visiting Fiji as tourists and the U.S. now ranks as the second largest source of tourism for Fiji after Australia. Growth in tourism is generating an expansion of world-class tourist facilities and services over the next five years.

The Fiji market is small, but relatively diversified, with a range of industries, private and public enterprises, and tourist and production facilities. Market penetration by U.S. firms is currently shallow, as Fiji businesses, accustomed to dealing with their nearby Pacific partners, have little experience finding sources of goods and services in the U.S., and are concerned about transportation costs. However, these costs are declining and many U.S. goods compete successfully on price and quality. The Government can, however, restrict the import of certain goods to protect local industries by enforcing unrealistic non-tariff barriers, such as changing standards. Some U.S. companies are represented through subsidiaries and distribution networks operating from Australia and New Zealand.

Over 300 islands make the Fiji group of islands with a total land area of just 18,272 square kilometers. Of the 300 islands, humans inhabit only 100 or so islands and the rest are left as nature reserves.

Area Covered:

Latitude: 12°-21°S and

Longitude: 176°E-178°W.

The two major islands in the group are known as Viti Levu and Vanua Levu.

Almost 80 percent of the population lives on these two islands. Still the majority of the population lives in the rural areas and the outer islands. Only about 40 percent of the population lives in urban areas.